Cambridge

Village of Cambridge
AUDIT & FINANCE COMMITTEE AGENDA
Tuesday, October 11, 2016 | 6:00 p.m.
Oakland Town Hall, N4450 Country Road A

1. **Call to order/Roll Call**
2. **Proof of Posting**
3. **Approval of Minutes**
4. **Public Appearances/Citizen Input**
5. **New Business**
   a. Auditing Services RFP
6. **Update/Other Items for Future Consideration**
7. **Adjournment**

a. Persons needing special accommodations should call 423-3712 at least 24 hours prior to the meeting.
b. A quorum of the Village Board will attend this meeting for the purpose of gathering information relevant to their responsibilities as Village Trustees. Recommendation by the joint committee will be made to be acted upon by the Village Board at a regular meeting.
c. More specific information about agenda items may be obtained by calling 423-3712.

Lisa Moen, Village Clerk

Cambridge

200 Spring St
Cambridge, WI 53523
Phone 608.423.3712
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ADMINISTRATION

To: **Audit & Finance Committee**
From: **Veronica Rudychev, Administrator**
Date: **October 6, 2016**
Subject: **Auditing Services RFP**

BACKGROUND

Current Village Auditor, James Frechette, informed the Village that he would no longer be providing the Village with Auditing Services starting with year ending December 31, 2016. The Audit & Finance Committee reviewed the draft Auditing Services RFP at the August 30th, 2016 meeting. The RFP was subsequently sent out to eight (8) auditing firms on August 31st, 2016. The Village received four (4) replies by the September 23rd, 2016 deadline. The firms who responded were as follows:

1. Baker Tilly
2. Hawkins Ash
3. Johnson Block
4. Kerber Rose

Pricing for the firms was as follows:

FIRM	2016 PRICING	2017 PRICING	2018 PRICING
Kerber Rose	$21,950	$22,650	$23,350
Baker Tilly	$18,550	$18,850	$19,150
Johnson Block	$18,150	$18,575	$19,100
Hawkins Ash	$17,000	$17,520	$18,050

After review of the RFPs, three (3) firms were brought in for in person/phone interviews with their staff. At the completion of the in-depth interview process and review of the proposals with the firm, staff recommends moving forward with awarding the three year contract to Baker Tilly.

Baker Tilly is a well-known municipal auditing firm. Both the staff assigned to the Village of Cambridge and the overall firm comes very well recommended. Furthermore, the staff assigned to the Village of Cambridge only works on municipal audit. Also, Baker Tilly offers a "deep bench" of professionals including an accounting arm that is able to assist staff on a day to day basis with questions and concerns. Finally, Baker Tilly has a local office in the Madison area and therefore will be able to travel to the Village if/when necessary quite easily.

FISCAL IMPACT

The fiscal impact of a three (3) year or 2016-2018 contract with Baker Tilly is shown above.

RECOMMENDATION

It is recommended that Audit & Finance Committee recommend to the Village Board that a contract for 2016-2018 Auditing Services be awarded to Baker Tilly.

Veronica Rudychev
Village Administrator

Proposal summary for efficient, thorough,
and timely auditing services

Village of Cambridge, Wisconsin

Navigate complexity.

BAKER TILLY

Candor. Insight. Results.

an independent member of
BAKER TILLY
INTERNATIONAL

About Baker Tilly

About our firm

Wisconsin local government and municipal utility experience

Baker Tilly has served Wisconsin-based clients—including local governments—for nearly eighty-five years. We established a public sector practice group over fifty years ago and throughout this time, Baker Tilly has consistently made investments in our local government practice. Nationwide, our state and local professionals currently work with more than one thousand entities including counties, municipalities, school districts, public utilities, and state agencies. Wisconsin clients include nearly 200 municipalities, counties, and other governmental units, plus utility and transit entities. ***We have a 55 percent market share of audits of the largest 40 municipalities in the state of Wisconsin.***

We serve approximately 100 water utility clients and more than 25 electric utilities in Wisconsin; also, most villages and cities have water and wastewater utilities, and some have stormwater utilities.

The specialized focus of our team gives our staff the understanding of the issues your organization faces and gives them the experience to find effective solutions. We draw ideas from our clients that we can share with the Village and incorporate into our recommendations, audit procedures, and board presentations. We understand the unique requirements specific to municipal governments in the state of Wisconsin, and this will allow us to provide you with relevant and state-specific advice.

This vast experience with local governments translates into knowledge-based insights and best practices that will provide measurable value to the Village.

Size of our governmental audit staff

We have the largest governmental practice in the Midwest, and it is headquartered in our Madison, Wisconsin, office. ***Our public sector practice group comprises more than 220 professionals—including 18 partners***—dedicated entirely to serving governmental clients. We are the largest provider of government services in Wisconsin, including five of the largest ten cities and six of the largest ten counties.

As a leading provider of financial statement audits, and one of the top three single audit CPA firms in the US, we understand the challenges facing states, counties, municipalities, school districts, and special district governments. We understand the issues governments face, providing hundreds of thousands of hours annually to the public sector.

Our history with government entities provides you with the level of expertise necessary to perform an effective and efficient audit of the Village. On the following page is a list of five references for which Baker Tilly has provided similar audit services. We provided audit services to each of these governmental entities last year and encourage you to contact them to learn more about us.

Value of fees

Dollar cost proposal

We prepared the following fee option for the Village to consider based on the needs and objectives you shared with us and our experience conducting similar audit engagements with other government clients. Our estimates allow for thorough and insightful advice and services from experienced professionals.

The annual audit fee has been broken down as requested in the RFP and includes travel and assistance through consultation at any time during the year for the Village (8 hours) and Water, Sewer and Stormwater (4 hours).

Audit Services	2016	2017	2018
Water, Sewer and Stormwater	$6,500	$6,600	$6,700
Library and Library Building	$1,000	$1,050	$1,100
All Other Village Funds	$9,050	$9,200	$9,350
State Report Form C	$1,000	$1,000	$1,000
PSC Report	$1,000	$1,000	$1,000
Total	**$18,550**	**$18,850**	**$19,150**

Our fees are based on circumstances known as of the date of this proposal and do not reflect additional fees resulting from significant changes in the scope of the engagement. In addition, our proposed are also based on the assumption that your books, records, and reports will not require material audit adjustments. Audit adjustments, in excess of 5 annually will be billed in addition to the above quoted audit fees at our hourly rates. The cost will depend up on the level of effort required. Prior to work being completed, we will negotiate an agreed upon amount with you.

As requested in your RFP, listed below we have provided you with a range of estimated costs per major grant required to be tested if it becomes necessary for the Village to have a Single Audit. However, based on current information from management, it is not anticipated to be required and therefore has been shown separately. The table below would be applicable if a Single Audit were to become necessary.

Services	Federal	State
Audit in compliance with OMB Uniform Grant Guidance, if applicable. (per major grant tested)	$2,500 - $4,000	$2,000 - $3,000