

OFFICE OF THE COUNTY ADMINISTRATOR

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April 7, 2014

TO: Dee F. Bruemmer, County Administrator

CC: Board of Supervisors
Wes Rostenbach, Accounting and Tax Manager
Craig Hufford, Financial Management Supervisor

FROM: David Farmer, CPA, Budget Manager

SUBJ: Extension of County Audit Services – Baker Tilly Virchow Krause, LLP

The County entered into a contract for Audit services with Baker Tilly Virchow Krause, LLP in June, 2010 for five years (2010 – 2014). Baker Tilly was chosen by a seven person Audit Selection Committee that considered technical quality, price and quality of presentation. Based on the overall audit experiences from 2010 - 2013, Baker Tilly and the County discussed the contract status to determine if future audit services would meet the County's long term goals. The County's experiences with Baker Tilly have been positive and we wish to continue the relationship.

Price proposal

Baker Tilly responded with a four year offer of \$70,000, \$70,000, \$70,000 \$72,500 for the years ended June 30, 2014, 2015, 2016 and 2017, respectively. The original proposed cost for fiscal year 2014 was \$70,000, an average of \$2,500 increase per year over the five year contract. The proposed contract represents a \$12,500 savings over four years or 9.5% savings of projected contract costs.

	Projected Costs	Actual Cost	Projected Increase	Actual Increase
2014	\$70,000	\$70,000	3.7%	3.7%
2015	\$72,500	\$70,000	3.6%	0.0%
2016	\$75,000	\$70,000	3.4%	0.0%
2017	\$77,500	\$72,500	3.3%	3.5%
Total	\$295,000	\$282,500	16.7%	7.2%

Technical Quality Update

I have reviewed Baker Tilly's System Review Report completed by other independent auditors. The purpose of this report is to test and report on the system of quality control. In the opinion of the independent auditors, the system is suitably designed and complied to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a pass, pass with deficiency(ies) or fail. Baker Tilly Virchow Krause, LLP received a peer review rating of pass as of September 26, 2012. This is the most recent review available.

Recommendation

At this time, I am recommending an extension of audit services contract with Baker Tilly Virchow Krause, LLP. I will be at the April 22, 2014 Board of Supervisors meeting if you or the Board have any questions.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N
SCOTT COUNTY BOARD OF SUPERVISORS
APRIL 24, 2014

APPROVAL OF FOUR YEAR AGREEMENT WITH BAKER TILLY VIRCHOW KRAUSE,
LLP FOR FINANCIAL AUDIT SERVICES

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the engagement letter from Baker Tilly Virchow Krause, LLP for four years (FY 2014- 2017) for financial statement audit services is hereby accepted and approved

Section 2. That the County Administrator is hereby authorized to sign the audit engagement letter on behalf of the Board.

Section 3. This resolution shall take effect immediately.