

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

AUDIT SELECTION SUBCOMMITTEE MINUTES

Tuesday, August 30, 2005

Meeting Rm. 2, Brookens Administrative Center

1776 E. Washington St., Urbana

11:00 a.m.

MEMBERS PRESENT: Busey, Frerichs, McGinty, Wadleigh, Wysocki

MEMBERS ABSENT: Tapley

Call to Order

McGinty was chosen by the subcommittee as Chair because he is Chair of the Finance Committee. McGinty called the meeting to order at 11:00 a.m. A roll call confirmed a quorum was present.

Approval of Agenda/Addendum

MOTION by Wysocki to approve the agenda for the meeting; seconded by Frerichs. Motion carried.

RFP No. 2005-012 Financial Auditing Services for the County of Champaign – Recommendation of Top Ranked Firm

The subcommittee opened the discussion on how to move forward. Busey stated this matter has to go before the County Board by September 22nd. She would rely on the Auditor (Frerichs) and Deputy Auditor (Wadleigh) to further direct the discussion with regard to the responses. The RFP was sent to seven companies. Two of those companies attended the pre-proposal meeting. Two companies informed Busey they would not be able to submit bids due to current workload. The remaining three companies were never heard from. The RFP was also advertised in the *News-Gazette* three times. The two firms who submitted proposals were Crowe Chizek LLP and Bray, Drake, Liles & Richardson LLP.

Frerichs stated the receipt of two responses was good because few accounting firms specialize in government accounting. Wadleigh said the rules have changed and many regulations have been added for audits of governments and audits of federal funding. This has priced many firms out of the market. A qualified firm would have to have minimal levels of training in government auditing. This further raises the price to audit small units of government and the small units of government do not have the money to pay for a very expensive audit. The number of audit firms who can handle government audits is dwindling and tend to be firms who specialize solely in government audits. Frerichs contacted several other firms about the RFP. He was told the firms no longer audit units of government and have not kept up with the required training. Wysocki noted the proposals from Crowe Chizek and Bray, Drake, Liles & Richardson contain an impressive array of entities the firms have audited. The subcommittee continued to debate the merits of the two proposals.

McGinty asked if the Auditor had a recommendation. Frerichs regarded both firms as being qualified; he graded them just about evenly. Frerichs rated Crowe Chizek higher technically, but Bray, Drake, Liles & Richardson had a lower cost proposal. The subcommittee discussed the value in hiring a local firm such as Bray, Drake, Liles & Richardson, who is already familiar with the County's workings, versus the out-of-town firm of Crowe Chizek, who would need to take time to learn about the County. Wadleigh offered her ratings of the firms, which reached the same conclusion as Frerichs's. The advantage of Crowe Chizek is it is a larger firm with more diverse experience and resources. The disadvantage of a large firm is they would have more lower-level, less experienced staff working on

the audit. The advantage of Bray, Drake, Liles & Richardson is that a local firm is more convenient (particularly when a deadline is approaching) and a partner with many years of experience would be handling much of the audit. Wadleigh thought Crowe Chizek might provide a more thorough audit, but not significantly more so and not enough to justify the cost difference. The subcommittee agreed with the reasoning of the Auditor and Deputy Auditor. The subcommittee further discussed the value of changing audit firms and the expense involved. Wysocki asked questions about the staff at Bray, Drake, Liles & Richardson and its experience with government audits. Wadleigh and Frerichs provided additional details about the firm and its qualifications. Wysocki asked about the audit firms employed by nearby governments. Busey noted the timing of the Champaign County audit is during tax season. This timing is not ideal for many audit firms because it is their busy period.

The subcommittee determined that both firms were found to be fully competent and qualified, but there is an advantage with the cost proposal of Bray, Drake, Liles & Richardson. The subcommittee recommended hiring Bray, Drake, Liles & Richardson as the audit firm for Champaign County. Busey will prepare a summary document of all the evaluators' ratings for the record.

MOTION by Wysocki to recommend approval of Bray, Drake, Liles & Richardson LLP as Champaign County's outside auditor for the term of five years; seconded by Frerichs. Motion carried.

The contract for audit services will be prepared by Bray, Drake, Liles & Richardson. The contract will be reviewed by the County's legal counsel and the Auditor's Office before it is submitted to the County Board.

Other Business

There was no other business.

Adjournment

Meeting was adjourned at 11:20 p.m.

Respectfully submitted,

Kat Bork
Administrative Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.