

AGENDA ITEM REPORT

DATE OF MEETING: November 28, 2016

ITEM: Ordinance Authorizing the Mayor to Accept Proposal for Audit Services

STRATEGIC PLAN GOAL: Goal #7 – Financial Stewardship and Sustainability

BACKGROUND:

After discussion at the November 14th meeting, the City Council directed staff to reconsider its recommendation to retain CJ Schlosser & Company LLC as auditor. The City of Collinsville has not adopted a policy of mandatory auditor rotation. However, the City has enjoyed a long, twenty-year relationship with CJ Schlosser and it would be prudent to change auditors at this time.

The Finance Department recommends Hochschild Bloom and Company LLP as the new auditor for the next four years. A four-year engagement will allow the City and the auditor to develop an efficient and effective process, while aligning the next request for proposals (RFP) with the City's budget cycle.

The proposed fees are as follows:

2016 financial statement audit	\$30,000
2017 financial statement audit	\$30,600
2018 financial statement audit	\$31,200
2019 financial statement audit	\$31,800
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	\$123,600
2016 single audit, if needed	\$5,000
2017 single audit, if needed	\$5,000
2018 single audit, if needed	\$5,000
2019 single audit, if needed	\$5,100
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	\$20,100
2016 pension filing	\$1,200
2017 pension filing	\$1,200
2018 pension filing	\$1,200
2019 pension filing	\$1,200
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	\$4,800
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	\$148,500

Hochschild Bloom and Company LLP is a larger firm with relevant experience and an excellent reputation. According to the St. Louis Business Journal, it's in the top 15 largest regional accounting firms based in the St. Louis area with 36 professionals on staff. Its broader resources and capabilities will be of value to the City.

Hochschild Bloom and Company LLP has over 60 governmental clients throughout the Midwest, including cities, villages, ambulance districts, transportation development districts, fire protection districts, etc. Many are of similar size and similar complexity to the City of Collinsville. Hochschild Bloom currently audits twenty municipalities that apply annually for the Government Finance Officers Association (GFOA) Certificate of Achievement, which will be extremely helpful to City staff as it prepares the Comprehensive Annual Financial Report each year in compliance with GFOA's high standards.

Partner Michael Williams has served on the GFOA Special Review Committee for over twenty years. He regularly makes presentations to the local and state GFOA chapters, giving updates on important governmental accounting changes. He is widely recognized as the local expert on GFOA's Certificate of Achievement Program.

This is the first time Hochschild Bloom has submitted a proposal for the City of Collinsville. Attracting a firm of this caliber reflects well on the City. The transition is expected to go smoothly and result in a higher level of professionalism within the organization.

RECOMMENDATION:

The Director of Finance recommends approval of the Ordinance Authorizing the Mayor to Accept Proposal for Audit Services

ITEM SUBMITTED BY: Tamara Ammann, Director of Finance

ATTACHMENTS: Ordinance, Proposal