

Selection of an Independent Auditor

Background:

Every public school in Iowa is required by law to hire a neutral, third-party firm to perform a thorough audit of school district finances and procedures. Public schools deal with a variety of funding sources with complex regulations and auditing requirements. These factors make it difficult to find a reputable audit firm within the budgetary restraints of a public school.

Eighteen audit firms were called and encouraged to submit proposals for the fiscal years ending June 30 of 2024, 2025, and 2026. Four firms indicated they might submit a proposal. Ultimately, two bids were received. The results of those bids appear below.

Audit Firm	2024	2025	2026	Total Cost for Three Years	Additional Hourly Rate
Kay Chapman, CPA, P.C.	\$15,000	\$15,500	\$16,000	\$46,500	\$165.00
Williams & Company, P.C.	\$70,000	\$73,000	\$75,000	\$218,000	\$178 to \$380

Recommended Action:

I recommend accepting the bid from Kay Chapman, CPA, P.C.

Kay Chapman and her team are located in Muscatine, Iowa. If approved, audit fieldwork will be completed virtually. The annual fees shown do not include services performed in connection with the Certified Annual Report, the budget, year-end adjusting entries, consultation on accounting software, presentation at board meetings, or other non-audit services. These services, if requested, will be billed at a rate of \$165 per hour.