

School Board Meeting Agenda Item

Topic: Audit Services RFP summary and recommendation
 Contact(s):
 Presenter(s): Lisa Rider, Director, Finance & Operations

Nature of Action Requested by Board

Board action
 Board information or scheduled report

Background Information

In February 2024, eight audit firms were invited to propose on Audit services for Red Wing Public Schools for three years.

Four firms declined to propose and after receipt of 4 proposals on March 1, 2024 the submitted proposals have been reviewed.

All four proposals are from firms that work routinely with MN School districts. Each has a clean review report.

Cost is the major factor in the recommendation. Below is the summary of costs for the four proposals.

FY24	FY23 Abdo fees	CLA	Abdo	Eide Bailly	Smith Schafer & Assoc
Financial Audit Report	23,200	27,000	36,000	29,000	30000
Single Audit	3,150	4,000	4,750	6,500	4000
Other fees	2,436	2,350	250	2,000	
	\$28,786	\$33,350	\$41,000	\$37,500	\$34,000
FY25					
Financial Audit Report		26,000	37,000	31,175	31500
Single Audit		4,000	5,000	7,000	4000
Other fees		2,300	250	2,150	0
		\$32,300	\$42,250	\$40,325	\$35,500
FY26					
Financial Audit Report		27,500	38,000	33,500	33000
Single Audit		4,000	5,250	7,500	4000
Other fees		2,375	250	2,300	0
		\$33,875	\$43,500	\$43,300	\$37,000
Total Fees over 3 years		\$99,525	\$126,750	\$121,125	\$106,500

CLA, LLP's proposal is the lowest cost proposal in each of the three years and in total over three years.

Smith Schafer & Associates is a close second for cost.

With Eide Bailly and Abdo close behind.

The quality of the audits to be expected from any of the four firms will be similar in end results. My personal experience is that CLA will bring a more technical interpretation of GASB and UFARS and we can expect there will be things we will be asked to modify from our current process. This is not a negative, but should be expected, if selected.

Smith Schafer & Associates is auditor during FY23 for Goodhue County Education District.

The lowest cost proposal is a 15.8% increase in cost over the FY23 Audit fee. The proposals and these results have been reviewed by the Board Finance Committee as well.

I recommend the board award the Audit Services for FY24, FY25, and FY26 to CliftonLarsonAllen, LLP. Once approved, an engagement letter will be issued for board signature.

Recommendation

I move to award the Audit Services for FY24, FY25, and FY26 to CliftonLarsonAllen, LLP.