Yahara WINS Financial Audit Recommendation

Background
The Intergovernmental Agreement (IGA) for Yahara WINS requires that a financial audit be conducted on an annual basis. 2017 was the first full calendar year for the IGA, and thus the first year for which a financial audit was required. A Request for Proposals (RFP) was prepared for financial audit services. The RFP was sent to three audit firms that had been identified by WINS Executive Committee Members as audit firms that their respective agencies had experience working with. The RFP stated that to be considered by WINS, proposals need to be received by WINS no later than 4:00 PM local time on May 16, 2018.

Analysis
Two proposals were received. Information regarding pricing and anticipated schedules associated with each proposal is provided in the following table.

<table>
<thead>
<tr>
<th>Audit Firm</th>
<th>Price</th>
<th>Anticipated Start Date</th>
<th>Anticipated End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CliftonLarsonAllen LLP (CLA)</td>
<td>$7,500(^{(a)})</td>
<td>May, 2018</td>
<td>July, 2018</td>
</tr>
<tr>
<td>Johnson Block and Company (JBC)</td>
<td>$9,600(^{(b)(c)})</td>
<td>May, 2018</td>
<td>July 15, 2018</td>
</tr>
</tbody>
</table>

\(^{(a)}\) Fixed fee price  
\(^{(b)}\) Not to exceed price  
\(^{(c)}\) Also submitted pricing for 2018 ($9,725) and 2019 ($9,930) audits

The CliftonLarsonAllen proposal had the lowest quoted price, which is equal to the amount allocated for financial auditing in the 2018 approved WINS budget. The JBC proposed price was $2,100 higher than the CliftonLarsonAllen proposed price, but was identified as a not to exceed price. Therefore, it is possible that the final JBC price could be less than the not to exceed price contained in its proposal. Both firms identified similar timelines for the audit. Both firms are well respected and have experience working with clients that are IGA members. Both firms included with their proposals a statement of independence with respect to Yahara WINS and Madison Metropolitan Sewerage District (MMSD), which serves as the fiscal agent for Yahara WINS. CliftonLarsonAllen would perform the work from their Milwaukee office. JBC would perform the work from their Madison office.

Given that Madison Metropolitan Sewerage District serves as the fiscal agent for Yahara WINS, MMSD staff will necessarily be involved in the WINS auditing process. CliftonLarsonAllen currently provides financial auditing services to the District. CliftonAllenLarson’s familiarity with MMSD accounting staff and practices will likely result in efficiencies on the part of CliftonLarsonAllen, WINS and MMSD staff during the audit process.

Recommendations
1) Retain the services of CliftonLarsonAllen to conduct the 2017 Yahara WINS audit, subject to review and approval by WINS Counsel of a service agreement between WINS and CliftonLarsonAllen.
2) Authorize WINS to negotiate with CliftonLarsonAllen for the purpose of potentially securing audit services for at least two additional years if WINS is satisfied with the service provided by CliftonLarsonAllen during the initial audit. (Note-WINS reserves the right at any time to solicit proposals for audit services from other firms).