

CITY OF GALENA, ILLINOIS

101 Green Street, PO Box 310, Galena, Illinois 61036



MEMORANDUM

TO: Honorable Mayor Renner and City Council

FROM: Jennifer Schmidt, Finance Director *Jen*

DATE: February 2, 2024

RE: Auditing Services Request for Proposal

The City of Galena's contract with O'Connor Brooks to provide auditing services expired with the audit for the fiscal year ended April 30, 2023. In January 2024, I prepared a request for proposal (RFP) for auditing services for the upcoming five fiscal years ending April 30, 2024 through 2028 and distributed the RFP to six certified public accounting firms that perform auditing services for government entities in Jo Daviess County and neighboring Illinois counties. The RFP requested both a technical proposal to ensure the firm is qualified to conduct a government audit and a compensation proposal to compare pricing of the auditing services. The proposals were due on January 30, 2024.

The following three auditing firms responded to the RFP: Benning Group of Freeport, O'Connor Brooks of Galena/Dubuque, and Wipfli of Sterling. All firms complied with the technical qualifications and agreed to an annual deadline of September 30. A summary of the cost of auditing services from the three firms is attached.

An audit will be required for each of the upcoming five years. A Single Audit is only required when at least \$750,000 of federal award funds is expended in a fiscal year. Currently, we expect the City to be subject to a Single Audit during only the April 30, 2024 and 2025 fiscal years due to the lead service line replacement program.

Given the above expectations, Wipfli is the low bidder at \$203,525. Wipfli also audits Jo Daviess County, so Mark Moran contacted Scott Toot, County Administrator. Toot provided a positive review of Wipfli specifically mentioning that Wipfli personnel are responsive, complete work in a timely manner, and present the audit in person to the board.

I recommend the City contract with Wipfli to provide auditing services for the fiscal years ending April 30, 2024 through 2028. Wipfli is the low bidder and would provide a fresh set of eyes on the City's finances since the last change in auditors took place 17 years ago. Thank you for your consideration.

Summary of Cost of Auditing Services

	04/30/24	04/30/25	04/30/26	04/30/27	04/30/28	Total	Total*
Benning Group, LLC							
Audit	\$ 38,000.00	\$ 41,000.00	\$ 44,000.00	\$ 47,500.00	\$ 51,300.00	\$ 221,800.00	\$ 221,800.00
Single Audit	\$ 5,000.00	\$ 5,250.00	\$ 5,500.00	\$ 5,750.00	\$ 6,000.00	\$ 27,500.00	\$ 10,250.00
Total	\$ 43,000.00	\$ 46,250.00	\$ 49,500.00	\$ 53,250.00	\$ 57,300.00	\$ 249,300.00	\$ 232,050.00
O'Connor, Brooks & Co., P.C.							
Audit	\$ 33,000.00	\$ 34,650.00	\$ 36,400.00	\$ 38,600.00	\$ 40,700.00	\$ 183,350.00	\$ 183,350.00
Single Audit	\$ 10,000.00	\$ 10,400.00	\$ 10,800.00	\$ 11,300.00	\$ 11,800.00	\$ 54,300.00	\$ 20,400.00
Total	\$ 43,000.00	\$ 45,050.00	\$ 47,200.00	\$ 49,900.00	\$ 52,500.00	\$ 237,650.00	\$ 203,750.00
Wipfli LLP							
Audit	\$ 35,000.00	\$ 36,750.00	\$ 38,600.00	\$ 40,525.00	\$ 42,550.00	\$ 193,425.00	\$ 193,425.00
Single Audit	\$ 5,000.00	\$ 5,100.00	\$ 5,250.00	\$ 5,400.00	\$ 5,650.00	\$ 26,400.00	\$ 10,100.00
Total	\$ 40,000.00	\$ 41,850.00	\$ 43,850.00	\$ 45,925.00	\$ 48,200.00	\$ 219,825.00	\$ 203,525.00

Total* - Single Audit is expected to be required only in fiscal years ending April 30, 2024 and 2025 due to federal funding for the replacement of lead water services lines to residences and businesses.